BOISE-KUNA IRRIGATION DISTRICT

Report on Audited
Basic
Financial Statements

For the Year Ended December 31, 2024

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Title Page

Boise-Kuna Irrigation District
129 N. School Ave.
Kuna, Idaho 83634

Board of Directors

David Reynolds	Chairman
Daniel Sheirbon	Vice Chairman
Richard Durrant	Director
Alicia Flavel	Secretary/Treasurer

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CERTIFIED PUBLIC ACCOUNTANTS
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Independent Auditor's Report

Board of Directors
Boise-Kuna Irrigation District
Kuna, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Boise-Kuna Irrigation District (the District) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Boise-Kuna Irrigation District, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are required to be independent of Boise-Kuna Irrigation District, Idaho and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions

Responsibility of Management for the Financial Statements

Boise-Kuna Irrigation District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Boise-Kuna Irrigation District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Boise-Kuna Irrigation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Boise-Kuna Irrigation District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of the District's proportionate share of the net pension liability and schedule of District contribution on page 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Boise-Kuna Irrigation District's basic financial statements. The title page is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The title page has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2025, on our consideration of the Boise-Kuna Irrigation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Boise-Kuna Irrigation District's internal control over financial reporting and compliance.

Zwygart John & Associates, CPAs, PLLC

Nampa, Idaho
April 1, 2025

Boise-Kuna Irrigation District
Statement of Net Position
December 31, 2024

	Enterprise Fund
Assets	
Current Assets:	
Cash and Cash Equivalents	$ 5,112,996
Assessments Receivable, Net	2,200,435
Other Receivables, Net	3,935
Interest Receivable	18,227
Prepaid Expenses	3,623
Total Current Assets	7,339,216
Noncurrent Assets:	
Capital Assets	
Land and Nondepreciable Infrastructure	2,978,412
Buildings and Equipment, Net	28,557
Total Capital Assets	3,006,969
Other Assets	
Other Assets	
Investment in MC6 Hydroelectric Project	420,333
Total Assets	10,766,518
Deferred Outflows	
Pension Related Items	23,759
Total Deferred Outflows	23,759
Liabilities	
Current Liabilities:	
Accounts Payable	34,981
Accrued Payroll and Benefits	1,262
Compensated Absences	5,002
Due Boise Board of Control	4,132,678
Lucky Peak Power Credit	517,198
Net Pension Liability	85,690
Total Liabilities	4,776,811
Deferred Inflows	
Pension Related Items	1,555
Total Deferred Inflows	1,555
Net Position	
Net Investment in Capital Assets	3,006,969
Committed	323,333
Unrestricted	2,681,609
Total Net Position	$ 6,011,911

The accompanying notes are an integral part of the financial statements.

Boise-Kuna Irrigation District
Statement of Revenues, Expenses,
and Changes in Fund Net Position
For the Year Ended December 31, 2024

	Enterprise Fund
Operating Revenues	
Operating and Maintenance	$ 3,173,906
Excess Water	60,268
District Assessment	84,992
Assessment Expense Levy	192,972
Total Operating Revenues	3,512,138
Operating Expenses	
Operating and Maintenance	4,064,289
Excess Water	114,996
Salaries	95,914
Directors' Fees	29,500
Payroll Taxes and Retirement	28,036
Bank Charges	741
Dues	19,502
Office Supplies and Printing	9,897
Legal and Accounting	9,740
Insurance	23,580
Advertising and Convention	7,696
Postage	4,063
Recording	599
Reimbursements	2,920
Repairs and Miscellaneous	800
Utilities	5,801
Depreciation Expense	770
Total Operating Expenses	4,418,844
Income (Loss) From Operations	(906,706)

The accompanying notes are an integral part
of the financial statements.

Boise-Kuna Irrigation District
Statement of Revenues, Expenses,
and Changes in Fund Net Position (continued)
For the Year Ended December 31, 2024

	Enterprise Fund
Non-Operating Revenues (Expenses)	
Interest on Investments	$ 177,425
Penalties on Assessments	12,674
County Filing Fee	2,461
Lucky Peak Power	1,040,066
Miscellaneous	73,672
Total Non-Operating Revenues (Expenses)	1,306,298
Change in Net Position	399,592
Net Position - Beginning	5,612,319
Net Position - Ending	$ 6,011,911

The accompanying notes are an integral part
of the financial statements.

Boise-Kuna Irrigation District
Statement of Cash Flows
For the Year Ended December 31, 2024

	Enterprise Fund
Cash Flow From Operating Activities	
Cash Receipts From Customers	$ 3,419,398
Cash Payments to Employees for Services	(147,841)
Cash Payments to Other Suppliers of Goods or Services	(4,136,934)
Net Cash Provided (Used) by Operating Activities	(865,377)
Cash Flows From Noncapital Financing Activities	
Other Receipts	88,807
Net Cash Provided (Used) by Noncapital Financing Activities	88,807
Cash Flows From Investing Activities	
Proceeds From Lucky Peak Credit	1,049,414
Proceeds From Interest	177,425
Net Cash Provided by Investment Activities	1,226,839
Net Decrease in Cash and Cash Equivalents	450,269
Cash and Cash Equivalents - Beginning	4,662,426
Cash and Cash Equivalents - Ending	$ 5,112,695
Displayed As:	
Cash and Cash Equivalents	$ 5,112,996

The accompanying notes are an integral part of the financial statements.

Boise-Kuna Irrigation District
Statement of Cash Flows (continued)
For the Year Ended December 31, 2024

	Enterprise Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	$ (906,706)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	770
Changes in Assets and Liabilities:	
(Increase) Decrease in Assessments Receivable	(91,838)
(Increase) Decrease in Other Receivables	(902)
(Increase) Decrease in Deferred Outflows	18,197
Increase (Decrease) in Accounts Payable	(18,342)
Increase (Decrease) in Accrued Payroll and Benefits	(113)
Increase (Decrease) Due Boise Board of Control	146,032
Increase (Decrease) in Net Pension Liability	(14,030)
Increase (Decrease) in Deferred Inflows	1,555
Net Cash Provided (Used) by Operating Activities	$ (865,377)

The accompanying notes are an integral part of the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Boise-Kuna Irrigation District (the District) was formed under Title 43 of the General Laws of the State of Idaho and covers approximately 48,568 acres of land in Idaho. The District, along with other irrigation districts, has contracted with the Boise Board of Control for operations and maintenance of their irrigation system. The District handles the billing and collection of user charges for irrigation water and is billed yearly for a portion of the total operating costs incurred by the Boise Board of Control.

The accounting policies of the Boise-Kuna Irrigation District follow generally accepted accounting principles as applicable to governmental units. The following is a summary of significant accounting policies.

A. Reporting Entity

The accompanying financial statements present the activities of the Boise-Kuna Irrigation District (the District), which has responsibility and control over all activities within the District. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards.

B. Basis of Presentation

Proprietary fund operating revenues and expenses are related to providing water and irrigation services to the residents and businesses of the Boise-Kuna Irrigation District. Revenues and expenses that arise from capital and non-capital financing activities and from investing activities are presented as non-operating revenues or expenses.

The District has the following major enterprise funds:

- *General Operating fund.* This is the District's primary operating fund. It accounts for all financial resources of the District.

Basis of Accounting

The District's financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Assets and Liabilities

Cash Equivalents

The District requires all cash belonging to the District to be placed in custody of the Clerk. All amounts included in the cash and investment accounts are considered to be cash and cash equivalents. See Note 4.

Capital Assets

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the proprietary funds are shown below:

	Capitalization Policy	Depreciation Method	Estimated Useful Life
Buildings and Improvements	$5,000	Straight-Line	15 – 40 Years
Equipment and Vehicles	$5,000	Straight-Line	5 – 15 Years

General infrastructure assets include all canal and irrigation systems and other infrastructure assets, which are considered non-depreciable.

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

Compensated Absences

The District presently accumulates unused vacation days calculated on an individual basis according to an employee's total years. All accumulated vacation time represents a potential liability to the District.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. DUE BOISE BOARD OF CONTROL

The District contracts with the Boise Board of Control to maintain the District's canals and irrigation ditches. Boise Board of Control bills annually in March for the District's portion of the cost of maintaining the irrigation system. The amount owing to the Boise Board of Control at December 31, 2024, is $4,132,678.

3. LUCKY PEAK CREDIT

The District receives royalty payments from Lucky Peak Hydro Project. Because of these royalty payments, the District reduces the operation and maintenance assessment. Of the 2024 assessment, $517,198 has not been levied to the water users.

4. CASH AND INVESTMENTS

Deposits

As of December 31, 2024, the carrying amount of the District's deposits were $428,519 and the respective bank balances totaled $431,349.

The entire bank balance was insured or collateralized with pooled securities held by the pledging institution in the name of the District.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of December 31, 2024, all of the District's deposits were covered by the federal depository insurance or by collateral held by the District's agent or pledging financial institution's trust department or agent in the name of the District. The District also had $284 of cash on hand. The District does not have a policy limiting its exposure to custodial credit risk.

Custodial Credit Risk – Investments

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The District does not have a formal policy limiting its custodial credit risk for investments.

Interest Rate Risk

The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Investments

The District voluntarily participates in the State of Idaho Investment Pool, which was not rated. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body. Oversight of the pool is with the State Treasurer, and Idaho Code defines allowable investments. The fair value of the District's investments in the Pool is the same as the value of the Pool shares.

It is the District's policy to limit investments to the safest types of securities and to diversify the District's investment portfolio so that potential losses on securities will be minimized. The District follows Idaho Statute that outlines qualifying investment options as follows:

> Idaho Code authorizes the District to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements.

The District's investments at December 31, 2024, are summarized below:

	Fair Value	Investment Maturities (in Years)
Investment	or Cost	Less than 1
External Investment Pool	$ 4,684,193	$ 4,684,193

At year-end, the cash and cash equivalents and restricted cash were reported in the basic financial statements in the following categories:

Cash and cash equivalents	$ 428,803
Investments categorized as deposits	4,684,193
	$ 5,112,996

4. CONTINGENT LIABILITY

In 1984, the District consented to the issuance of bonds for the construction of the Lucky Peak Power Plant Project (the Project). Pursuant to the terms of the contract, the City of Seattle is unconditionally obligated to service the bonds regardless of the operating status of the Project. Further information can be obtained from the annual audit report for Lucky Peak Power Plant Project.

5. RISK MANAGEMENT

The District is exposed to a considerable number of risks of loss including, but not limited to, a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e. errors and omissions, d) environmental damage, e) worker's compensation, i.e. employee injuries, and f) medical insurance costs of its employees. Commercial insurance policies are purchased to transfer the risk of loss for property and content damage, employee torts, and professional liabilities.

6. PENSION PLAN

Plan Description

Boise-Kuna Irrigation District contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for public safety. As of June 30, 2024 it was 6.71% for general employees and 9.83% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters. Boise-Kuna Irrigation District's contributions were $13,643 the year ended December 31, 2024.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, Boise-Kuna Irrigation District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Boise-Kuna Irrigation District's proportion of the net pension liability was based on

Boise-Kuna Irrigation District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2024, Boise-Kuna Irrigation District's proportion was 0.0022908 percent.

For the year ended December 31, 2024, Boise-Kuna Irrigation District recognized pension expense/(revenue) of $19,365 . At December 31, 2024, Boise-Kuna Irrigation District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 13,643	$ -
Changes in assumptions or other inputs	3,394	-
Net difference between projected and actual earnings on pension plan investments	-	1,555
Boise-Kuna Irrigation District's contributions subsequent to the measurement date	6,722	-
Total	$ 23,759	$ 1,555

$6,722 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2024, the beginning of the measurement period ended June 30, 2023 is 4.6 and 4.6 for the measurement period June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

For the Year Ended December 31:	PERSI
2025	$ 10,951
2026	15,977
2027	(2,755)
2028	(1,969)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expense
Cost-of-living adjustments	1%

Contributing Members, Service Retirement Members, and Beneficiaries

- General Employees and All Beneficiaries – Males-2010 General Tables, increased 11%
- General Employees and All Beneficiaries – Females Pub-2010 General Tables, increased 21%
- Teachers – Males Pub-2010 Teacher Tables, increased 12%
- Teachers – Females Pub-2010 Teacher Tables, increased 21%
- Fire & Police – Males Pub-2010 Safety Tables, increased 21%
- Fire & Police – Females Pub-2010 Safety Tables, increased 26%
- Disabled Members – Males Pub-2010 Disabled Tables, increase 38%
- Disabled Members – Females Pub-2010 Disabled Tables, increased 36%

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The total pension liability (asset) as of June 30, 2024 is based on the results of an actuarial valuation date of July 1, 2024.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2024.

Asset Class	
Fixed Income	30.00%
US/Global Equity	55.00%
Internaitonal Equity	15.00%
Cash	0.00%
Total	100.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	$ 162,838	$ 85,690	$ 22,680

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

7. INVESTMENT IN MC6 HYDROELECTRIC PROJECT

The District invested in the MC6 Hydroelectric project. They have invested $ 420,333 for a 16% ownership interest. The Project does not have a readily available fair value, so the District has elected to report the investment at original cost.

8. EMPLOYEE BENEFITS

Vacation and sick leave are granted to all regular employees. In the event of termination, an employee is reimbursed for accumulated vacation pay but not sick leave. A summary of the current year activity and year-end liability is as follows:

12/31/2023	Increase	Decrease	12/31/2024	Current Portion
$ 4,307	$ 6,937	$ (6,242)	$ 5,002	$ 5,002

10. OTHER COMMITMENTS

The District has a credit card available for use with a total credit limit of $50,000. As of December 31, 2024, $270 of the available credit was in use.

11. CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2024, was as follows:

	Balance 12/31/2023	Additions	Disposals	Balance 12/31/2024
Capital Assets Not Being Depreciated:				
Land and Infrastructure	$ 2,978,412	$ -	$ -	$ 2,978,412
Capital Assets Being Depreciated:				
Buildings and Equipment	86,515	-	-	86,515
Total Depreciable Assets	86,515	-	-	86,515
Less: Accumulated Depreciation				
Buildings and Equipment	57,188	770	-	57,958
Total Accumulated Depreciation	55,648	770	-	57,958
Net Depreciable Assets	30,867	(770)	-	28,557
Business-type Activities - Net	$ 3,009,279	$ (770)	$ -	$ 3,006,969

REQUIRED SUPPLEMENTARY INFORMATION

Boise-Kuna Irrigation District
Schedule of Required Supplemental Information
Public Employee Retirement System of Idaho
Last 10 - Fiscal Years

Schedule of the District's Proportionate Share of Net Pension Liability

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Employee Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.0022908%	$ 85,690	$ 118,113	72.55%	85.54%
2023	0.0024988%	99,720	108,997	91.49%	83.83%
2022	0.0026049%	102,600	99,380	103.24%	83.09%
2021	0.0028105%	(2,220)	97,692	-2.27%	100.36%
2020	0.0028567%	66,336	111,718	59.38%	88.22%
2019	0.0026220%	29,909	88,564	33.77%	93.79%
2018	0.0027185%	40,098	92,408	43.39%	91.69%
2017	0.0023968%	37,647	77,890	48.33%	90.68%
2016	0.0026761%	54,249	73,479	73.83%	87.26%
2015	0.0027400%	36,081	78,125	46.18%	91.38%

Data reported is measured as of June 30, 2024

Schedule of District Contributions

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2024	$ 13,643	$ 13,643	-	$ 118,113	11.15%
2023	12,632	12,632	-	108,997	11.59%
2022	11,866	11,866	-	99,380	11.94%
2021	11,664	11,664	-	97,692	11.94%
2020	13,339	13,339	-	111,718	11.94%
2019	10,292	10,292	-	88,564	11.62%
2018	10,461	10,461	-	92,408	11.32%
2017	8,817	8,817	-	77,890	11.32%
2016	8,318	8,318	-	73,479	11.32%
2015	8,844	8,844	-	78,125	11.32%

Data reported is measured as of December 31, 2024

FEDERAL REPORTS

ZWYGART JOHN
CERTIFIED PUBLIC ACCOUNTANTS
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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Directors
Boise-Kuna Irrigation District
Kuna, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Boise-Kuna Irrigation District, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Boise-Kuna Irrigation District's basic financial statements, and have issued our report thereon dated April 1, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Boise-Kuna Irrigation District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boise-Kuna Irrigation District's internal control. Accordingly, we do not express an opinion on the effectiveness of Boise-Kuna Irrigation District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boise-Kuna Irrigation District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Zwygart John & Associates, CPAs, PLLC

Nampa, Idaho
April 1, 2025